

House Engrossed Senate Bill

State of Arizona
Senate
Forty-sixth Legislature
Second Regular Session
2004

CHAPTER 217

SENATE BILL 1343

AN ACT

AMENDING TITLE 35, CHAPTER 2, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTION 35-319; AMENDING TITLE 38, CHAPTER 5, ARTICLE 4, ARIZONA REVISED STATUTES, BY ADDING SECTION 38-848.02; RELATING TO INVESTMENT OF STATE MONIES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Title 35, chapter 2, article 2, Arizona Revised Statutes,
3 is amended by adding section 35-319, to read:

4 35-319. Reports; global security risk

5 A. THE STATE TREASURER SHALL SUBMIT A REPORT ON OR BEFORE JANUARY 10
6 AND JULY 10 OF EACH YEAR TO THE SENATE FINANCE COMMITTEE AND THE HOUSE OF
7 REPRESENTATIVES GOVERNMENT AND RETIREMENT COMMITTEE, OR THEIR SUCCESSOR
8 COMMITTEES, ON THE ECONOMIC IMPACT OF GLOBAL SECURITY RISKS OF INVESTMENTS
9 OF STATE MONIES, INCLUDING:

10 1. A LIST OF THOSE COMPANIES THAT ARE HELD IN PORTFOLIO BY THE STATE
11 TREASURER, IF THE STATE TREASURER CAN MAKE SUCH A DETERMINATION FROM PUBLIC
12 INFORMATION, AND THAT HAVE OR THAT ARE REASONABLY KNOWN BY THE STATE
13 TREASURER TO HAVE BUSINESS ACTIVITIES IN OR WITH COUNTRIES IDENTIFIED AS
14 THOSE COUNTRIES CURRENTLY DESIGNATED PURSUANT TO SECTION 6(j) OF THE EXPORT
15 ADMINISTRATION ACT AS SUPPORTING INTERNATIONAL TERRORISM.

16 2. A SUMMARY DESCRIPTION OF THE BUSINESS ACTIVITIES OF THOSE COMPANIES
17 IDENTIFIED IN PARAGRAPH 1 IF THE STATE TREASURER CAN MAKE SUCH A
18 DETERMINATION.

19 3. THE TOTAL AMOUNT INVESTED IN EACH COMPANY IDENTIFIED IN PARAGRAPH
20 1 AS OF NINETY DAYS BEFORE THE REPORT IS SUBMITTED.

21 4. AN ASSESSMENT BY THE STATE TREASURER BASED ON THE PRUDENT INVESTOR
22 RULE OF THE LEVEL OF THE GLOBAL SECURITY RISK ATTRIBUTABLE TO THE
23 INVESTMENTS.

24 B. IF A REPORT FAILS TO PROVIDE ANY OF THE REQUIRED INFORMATION, THE
25 STATE TREASURER SHALL EXPLAIN THE REASONS WHY THE INFORMATION WAS NOT
26 PROVIDED.

27 Sec. 2. Title 38, chapter 5, article 4, Arizona Revised Statutes, is
28 amended by adding section 38-848.02, to read:

29 38-848.02. Reports; global security risk

30 A. THE FUND MANAGER SHALL SUBMIT A REPORT ON OR BEFORE JANUARY 10 AND
31 JULY 10 OF EACH YEAR TO THE SENATE FINANCE COMMITTEE AND THE HOUSE OF
32 REPRESENTATIVES GOVERNMENT AND RETIREMENT COMMITTEE, OR THEIR SUCCESSOR
33 COMMITTEES, ON THE ECONOMIC IMPACT OF GLOBAL SECURITY RISKS OF INVESTMENTS
34 OF THE FUND MONIES MANAGED BY THE FUND MANAGER, INCLUDING:

35 1. A LIST OF THOSE COMPANIES THAT ARE HELD IN PORTFOLIO BY THE FUND
36 MANAGER, IF THE FUND MANAGER CAN MAKE SUCH A DETERMINATION FROM PUBLIC
37 INFORMATION, AND THAT HAVE OR THAT ARE REASONABLY KNOWN BY THE FUND MANAGER
38 TO HAVE BUSINESS ACTIVITIES IN OR WITH COUNTRIES IDENTIFIED AS THOSE
39 COUNTRIES CURRENTLY DESIGNATED PURSUANT TO SECTION 6(j) OF THE EXPORT
40 ADMINISTRATION ACT AS SUPPORTING INTERNATIONAL TERRORISM.

41 2. A SUMMARY DESCRIPTION OF THE BUSINESS ACTIVITIES OF THOSE COMPANIES
42 IDENTIFIED IN PARAGRAPH 1 IF THE FUND MANAGER CAN MAKE SUCH A DETERMINATION.

1 3. THE TOTAL AMOUNT INVESTED IN EACH COMPANY IDENTIFIED IN PARAGRAPH
2 1 AS OF NINETY DAYS BEFORE THE REPORT IS SUBMITTED.

3 4. AN ASSESSMENT BY THE FUND MANAGER BASED ON THE PRUDENT INVESTOR
4 RULE OF THE LEVEL OF THE GLOBAL SECURITY RISK ATTRIBUTABLE TO THE
5 INVESTMENTS.

6 B. IF A REPORT FAILS TO PROVIDE ANY OF THE REQUIRED INFORMATION, THE
7 FUND MANAGER SHALL EXPLAIN THE REASONS WHY THE INFORMATION WAS NOT PROVIDED.

APPROVED BY THE GOVERNOR MAY 10, 2004.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 10, 2004.

Passed the House April 27, 2004,

by the following vote: 49 Ayes,

6 Nays, 5 Not Voting

Robert H. Blake
Speaker of the House

Norman L. Fyfe
Chief Clerk of the House

Passed the Senate March 16, 2004,

by the following vote: 23 Ayes,

7 Nays, 0 Not Voting

Phil Plunett
President of the Senate

Charmaine Ballinger
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

_____ day of _____, 20____,

at _____ o'clock _____ M.

Secretary to the Governor

Approved this _____ day of

_____, 20____,

at _____ o'clock _____ M.

Governor of Arizona

S.B. 1343

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State
this _____ day of _____, 20____,

at _____ o'clock _____ M.

Secretary of State

SENATE CONCURS IN HOUSE AMENDMENTS
AND FINAL PASSAGE

Passed the Senate May 3, 2004

by the following vote: 27 Ayes,

0 Nays, 3 Not Voting

Ken Bennett
President of the Senate
Charmine Bellington
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

4th day of May, 2004

at 8.45 o'clock a M.

Wendell Gbarr
Secretary to the Governor

Approved this 10 day of

May, 2004

at 11³⁵ o'clock A. M.

Jon R. Ralston
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 10 day of May, 2004

at 1:22 o'clock P. M.

Janice H. Brewer
Secretary of State

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